

Case No.: 2005-00174
Questions From: Christian County Water District – September 9, 2005
Response from: Hopkinsville Water Environment Authority
Sponsoring Witness: Jennings Rowe McKinley II

DATA REQUEST NO. 38.

Refer to page 11 of Mr. McKinley's testimony, line 14. What are the proposed capital improvements expected to be in service by the end of the test period?

- a. Is the test period referred to 2006?

RESPONSE:

Capital improvements expected to be in service by the end of FY 2006 include the FY 2004 construction work in progress and the proposed FY 2005 capital projects.

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DATA REQUEST NO. 39.

Refer to page 12 of Mr. McKinley’s testimony, line 5. What is the source for the allocation factors for base and maximum day?

RESPONSE:

Please see HWEA’s Responses to Commission Information Request Nos. 13a. and 13b.

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DATA REQUEST NO. 40.

Refer to page 13 of Mr. McKinley’s testimony, line 8. Table 2 of his Report shows no increase in water sales to CCWD from 2005 through 2009. Reconcile that projection with Mr. Hale’s statement on page 4 of his testimony that the raw water main is needed to meet the future water needs of CCWD.

RESPONSE:

The B&V Report shows a five year financial projection of revenues under existing rates and expenditures. This document is intended to provide HWEA with a financial roadmap over the next five years in terms of expected revenues and expenses and the need for future revenue adjustments. The nature of financial projections is that they tend to be cautious and conservative in terms of revenue projections. Accordingly, the projected water sales to CCWD, as shown in Table 2 of the B&V Report, are shown as being level for the five year period of FYs 2005 – 2009. This projection is heavily weighted in terms of the most recent two historical years available, which show virtually no growth in water sales to CCWD.

On the other hand, in Mr. Hale’s testimony he is looking at the future water sales to CCWD, as well as to the entire HWEA service area, from an engineering, facilities planning perspective. Such perspectives are generally conservative in the other direction, in terms of making certain that there is adequate capacity in the system to fully provide for all future growth that may reasonably be expected to occur. Due to the nature of physical system planning and the associated additions to system capacity, in terms of acquiring rights of way, taking advantage of

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economies of scale in sizing facilities, and similar considerations, such projections are generally going to result in somewhat higher projections of water usage and customer growth.

Taking into account the different paradigms and perspectives from which the projections and/or statements were made, we do not believe there is any reconciliation that needs to be made in this matter.

Item 40.

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DATA REQUEST NO. 41.

Refer to page 16 of Mr. McKinley's testimony, line 8. Is a declining block rate structure typical for wholes[sic] customers?

a. Is the fourth rate block calculated on the cost of service principles previously discussed in your testimony, or is it calculated to merely recover remaining revenue not recovered through the first three blocks?

RESPONSE:

Please see HWEA's Response to CCWD Data Request No. 17.

EXHIBITS

- Exhibit No. 19b. A comparison of actual and Budgeted expenses for the Hopkinsville Water Division for FY 2000, FY 2001, FY 2002, FY 2003, and FY 2004
- Exhibit No. 20. Copy of the FY 2005-06 HWEA Five Year Capital Improvement Program

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HWEA WATER FUND
 INCOME STATEMENT
 June 30, 2000

	YTD ACTUAL	YTD BUDGET
REVENUES		
SALES		
WATER RESIDENTIAL SALES	\$ 1,475,914.86	\$ 1,466,250.00
WATER COMMERCIAL SALES	\$ 644,932.47	\$ 688,580.00
WATER INDUSTRIAL SALES	\$ 508,980.40	\$ 566,320.00
WATER SALES TO GOVEN AGENCIES	\$ 717,741.18	\$ 716,250.00
WATER PENALTY	\$ 43,958.54	\$ 49,740.00
WATER SERVICE FEES	\$ 7,222.41	\$ 6,990.00
TOTAL	\$ 3,398,749.86	\$ 3,494,130.00
WATER ALLOWANCES	\$ 14,416.34	\$ 20,990.00
TOTAL	\$ 3,384,333.52	\$ 3,473,140.00
EXPENSES		
SOURCE OF SUPPLY		
SUPERVISION-SOURCE OF SUPPLY	\$ 8,885.51	
LABOR-SOURCE OF SUPPLY	\$ 7,154.15	
SUPPLIES AND EXPENSES	\$ 7,558.96	
MAINT TO SOURCE OF SUPPLY STRUC	\$ 22,553.60	
MAINT TO COLLECTION & IMPOUNDING	\$ 280.00	
MAINT TO SOURCE OF SUPPLY EQUIP	\$ 1,078.65	
TREATMENT OF SOURCE OF SUPPLY	\$ 2,667.02	
GROUNDS & MAINTENANCE	\$ 694.53	
TOTAL SOURCE OF SUPPLY	\$ 50,872.42	\$ 30,000.00
WATER TREATMENT PLANT		
SUPERVISION-WATER PLANT	\$ 7,891.11	
LABOR- WATER PLANT	\$ 280,692.41	
CHEMICALS	\$ 178,264.08	
MAINTENANCE TO STRUCTURES	\$ 78.30	
MAINTENANCE TO EQUIPMENT	\$ 16,758.95	
SUPPLIES AND EXPENSES	\$ 8,822.30	
MAINT TO RESERVOIRS & TANKS	\$ 2,347.62	
MISCELLANEOUS EXPENSES	\$ 2,611.94	
WATER PLANT SECURITY	\$ 16,309.87	
GROUNDS & MAINTENANCE	\$ 6,449.60	
LABORATORY WORK	\$ 51,365.51	
LAB SUPPLIES AND EXPENSES	\$ 14,218.48	
TRANSPORTATION EXPENSES	\$ 3,249.45	
UTILITIES	\$ 168,722.54	
TRAINING AND EDUCATION	\$ 5,421.62	
WATER TANK UTILITIES	\$ 72,888.56	
TOTAL WATER TREATMENT PLANT	\$ 836,092.34	\$ 883,640.00

WATER DISTRIBUTION

SUPERVISION-WATER DISTRIBUTION	\$	72,402.81	
LABOR-WATER DISTRIBUTION	\$	132,924.87	
SUPPLIES AND EXPENSES	\$	53,948.37	
SMALL TOOLS EXPENSE	\$	664.21	
REPAIRS TO DIST RES STNDPIPES	\$	129.72	
REPAIRS TO DISTRIBUTION MAINS	\$	58,333.06	
REPAIRS TO SERVICES	\$	14,900.07	
REPAIRS TO METERS	\$	411.09	
REMOVING AND RESETTING METERS	\$	40,105.31	
TRANSPORTATION EXPENSES	\$	22,015.99	
GAS OIL TIRES-REP COMPR & TRAC	\$	28,250.35	
REPAIRS TO FIRE HYDRANTS	\$	3,591.92	
MISCELLANEOUS	\$	549.03	
GROUNDS & MAINTENANCE	\$	5,974.79	
TRAINING, EDUCATION & LICENSES	\$	5,313.52	
TOTAL WATER DISTRIBUTION	\$	439,515.11	\$ 354,560.00

ADMINISTRATIVE AND GENERAL

COMMISSIONERS SALARIES	\$	12,435.11	
OFFICE SALARIES-ADMINISTRATIVE	\$	180,850.67	
METER READING SALARIES	\$	37,244.59	
SUPPLIES AND EXPENSES	\$	30,483.79	
POSTAGE	\$	19,506.02	
TELEPHONE & 2-WAY RADIO EQUIP	\$	19,019.88	
INSURANCE PREMIUM	\$	61,486.77	
TRAINING AND LICENSES	\$	5,197.11	
PROFESSIONAL SERVICES	\$	40,248.76	
TRANSPORTATION EXPENSES	\$	6,104.36	
EMPLOYEE BENEFITS	\$	409,792.37	
SAFETY PROGRAM	\$	6,982.24	
BLDG MAINTENANCE & UTILITIES	\$	19,566.53	
MISCELLANEOUS EXPENSES	\$	26,714.64	
TOTAL ADMINISTRATIVE & GENERAL	\$	875,632.84	\$ 814,830.00

TECHNICAL SERVICES

LABOR-TECHNICAL SERVICES	\$	49,623.27	
SUPPLIES AND EXPENSES	\$	3,641.10	
TRAINING, EDUCATION & LICENSES	\$	1,519.50	
TRANSPORTATION EXPENSES	\$	2,670.90	
MISCELLANEOUS EXPENSES	\$	116.27	
TOTAL TECHNICAL SERVICES	\$	57,571.04	\$ 51,700.00

TOTAL OPERATING EXPENSES	\$	2,259,683.75	\$ 2,134,730.00
OPERATING INCOME BEFORE DEPR	\$	1,124,649.77	\$ 1,338,410.00
WATER DEPRECIATION	\$	864,809.36	\$ 865,000.00
NET OPERATING INCOME	\$	259,840.41	\$ 473,410.00

OTHER CREDITS

DISCOUNT ON PURCHASES-WATER	\$	65.82	
BAD ACCOUNTS RECOVERED-WATER	\$	8,926.95	

INT-BOND & INTEREST REDEM FUND	\$	143,664.35		
INT-DEPRECIATION INVESTMENTS	\$	115,287.41		
INT-CONSTRUCTION FUND	\$	6,737.63		
CASH OVERAGE	\$	5.18		
RETAIL SALES & USE TAX COMPENS	\$	867.54		
MISCELLANEOUS INCOME-WATER	\$	26,283.78		
INT-GENERAL REVENUE ACCOUNTS	\$	19,602.97		
WATER CONNECTION FEES	\$	90,777.00		
WATER SERVICE FEES	\$	41,845.45		
TOTAL OTHER CREDITS	\$	454,064.08	\$	453,150.00

INCOME CHARGES

BAD ACCOUNTS CHARGED OFF-WATER	\$	18,551.18		
INT-BONDED INDEBTEDNESS-19	\$	171,216.06		
INT-BONDED INDEBTEDNESS-1993	\$	110,576.13		
INT ON KIA FUND B LOAN-WATER	\$	96,049.79		
AMORTIZATION-NATIONS BANK FEES	\$	1,158.12		
CASH SHORTAGE-WATER	\$	252.82		
INT-BONDED INDEBTEDNESS-1996	\$	103,340.40		
AMORTIZATION-BOND FEES & DISC	\$	4,060.44		
AMORTIZATION OF CERS BENEFIT	\$	10,308.48		
TOTAL INCOME CHARGES	\$	515,513.42	\$	524,890.00
NET INCOME	\$	198,391.07	\$	401,670.00

HWEA WATER FUND
 INCOME STATEMENT
 June 30, 2001

	YTD ACTUAL	YTD BUDGET
REVENUES		
SALES		
WATER RESIDENTIAL SALES	\$ 1,471,637.49	\$ 1,519,670.00
WATER COMMERCIAL SALES	\$ 688,105.98	\$ 676,340.00
WATER INDUSTRIAL SALES	\$ 499,735.74	\$ 532,350.00
WATER SALES TO GOVEN AGENCIES	\$ 778,068.19	\$ 802,620.00
WATER PENALTY	\$ 48,226.32	\$ 48,920.00
WATER SERVICE FEES	\$ 7,415.00	\$ 7,100.00
TOTAL	\$ 3,493,188.72	\$ 3,587,000.00
WATER ALLOWANCES	\$ 17,271.15	\$ 17,990.00
TOTAL	\$ 3,475,917.57	\$ 3,569,010.00
EXPENSES		
SOURCE OF SUPPLY		
LABOR-SOURCE OF SUPPLY	\$ 8,047.59	
SUPPLIES AND EXPENSES	\$ 4,792.52	
MAINT TO SOURCE OF SUPPLY STRUC	\$ 2,347.06	
MAINT TO SOURCE OF SUPPLY EQUIP	\$ 958.03	
GROUNDS & MAINTENANCE	\$ 1,980.87	
TOTAL SOURCE OF SUPPLY	\$ 18,126.07	\$ 45,790.00
WATER TREATMENT PLANT		
SUPERVISION-WATER PLANT	\$ 43,973.26	
LABOR- WATER PLANT	\$ 266,523.94	
CHEMICALS	\$ 329,985.58	
MAINTENANCE TO STRUCTURES	\$ 3,419.05	
MAINTENANCE TO EQUIPMENT	\$ 22,016.79	
SUPPLIES AND EXPENSES	\$ 9,493.14	
MAINT TO RESERVOIRS & TANKS	\$ 1,907.98	
MISCELLANEOUS EXPENSES	\$ 3,125.17	
WATER PLANT SECURITY	\$ 3,911.32	
GROUNDS & MAINTENANCE	\$ 8,251.78	
LABORATORY WORK	\$ 49,242.05	
LAB SUPPLIES AND EXPENSES	\$ 16,770.61	
TRANSPORTATION EXPENSES	\$ 6,181.03	
UTILITIES	\$ 183,247.27	
TRAINING AND EDUCATION	\$ 3,026.76	
WATER TANK UTILITIES	\$ 62,474.32	
TOTAL WATER TREATMENT PLANT	\$ 1,013,550.05	\$ 883,120.00
WATER DISTRIBUTION		
SUPERVISION-WATER DISTRIBUTION	\$ 52,559.04	
LABOR-WATER DISTRIBUTION	\$ 149,406.12	
SUPPLIES AND EXPENSES	\$ 51,303.02	

SMALL TOOLS EXPENSE	\$	3,332.46	
REPAIRS TO DIST RES STNDPIPES	\$	57.31	
REPAIRS TO DISTRIBUTION MAINS	\$	38,878.37	
REPAIRS TO SERVICES	\$	9,038.06	
REPAIRS TO METERS	\$	1,247.73	
REMOVING AND RESETTING METERS	\$	35,380.80	
TRANSPORTATION EXPENSES	\$	22,634.05	
GAS OIL TIRES-REP COMPR & TRAC	\$	19,144.51	
REPAIRS TO FIRE HYDRANTS	\$	2,625.77	
MISCELLANEOUS	\$	916.02	
GROUNDS & MAINTENANCE	\$	11,848.90	
TRAINING, EDUCATION & LICENSES	\$	4,466.28	
TOTAL WATER DISTRIBUTION	\$	402,838.44	\$ 426,780.00

ADMINISTRATIVE AND GENERAL

COMMISSIONERS SALARIES	\$	17,029.46	
OFFICE SALARIES-ADMINISTRATIVE	\$	188,764.42	
METER READING SALARIES	\$	37,468.96	
SUPPLIES AND EXPENSES	\$	28,389.03	
POSTAGE	\$	19,003.22	
TELEPHONE & 2-WAY RADIO EQUIP	\$	19,150.09	
INSURANCE PREMIUM	\$	86,143.38	
TRAINING AND LICENSES	\$	2,890.29	
PROFESSIONAL SERVICES	\$	51,962.20	
TRANSPORTATION EXPENSES	\$	9,190.40	
EMPLOYEE BENEFITS	\$	425,222.10	
SAFETY PROGRAM	\$	7,764.88	
BLDG MAINTENANCE & UTILITIES	\$	23,433.40	
MISCELLANEOUS EXPENSES	\$	23,553.90	
TOTAL ADMINISTRATIVE & GENERAL	\$	939,965.73	\$ 843,100.00

TECHNICAL SERVICES

LABOR-TECHNICAL SERVICES	\$	49,050.72	
SUPPLIES AND EXPENSES	\$	2,643.60	
TRAINING, EDUCATION & LICENSES	\$	1,992.58	
TRANSPORTATION EXPENSES	\$	4,069.47	
MISCELLANEOUS EXPENSES	\$	78.21	
TOTAL TECHNICAL SERVICES	\$	57,834.58	\$ 67,550.00

TOTAL OPERATING EXPENSES	\$	2,432,314.87	\$ 2,266,340.00
OPERATING INCOME BEFORE DEPR	\$	1,043,602.70	\$ 1,302,670.00
WATER DEPRECIATION	\$	880,750.78	\$ 849,540.00
NET OPERATING INCOME	\$	162,851.92	\$ 453,130.00

OTHER CREDITS

DISCOUNT ON PURCHASES-WATER	\$	57.53	
BAD ACCOUNTS RECOVERED-WATER	\$	9,613.04	
INT-BOND & INTEREST REDEM FUND	\$	171,877.16	
INT-DEPRECIATION INVESTMENTS	\$	139,929.33	
INT-CONSTRUCTION FUND	\$	4,713.91	
RETAIL SALES & USE TAX COMPENS	\$	889.10	

MISCELLANEOUS INCOME-WATER	\$	13,013.88		
INT-GENERAL REVENUE ACCOUNTS	\$	11,653.57		
WATER CONNECTION FEES	\$	63,602.00		
WATER SERVICE FEES	\$	41,839.50		
TOTAL OTHER CREDITS	\$	457,189.02	\$	473,600.00

INCOME CHARGES

BAD ACCOUNTS CHARGED OFF-WATER	\$	21,566.65		
INT-BONDED INDEBTEDNESS-19	\$	155,283.42		
INT-BONDED INDEBTEDNESS-1993	\$	100,663.65		
INT ON KIA FUND B LOAN-WATER	\$	93,253.63		
AMORTIZATION-NATIONS BANK FEES	\$	1,158.12		
CASH SHORTAGE-WATER	\$	19.57		
INT-BONDED INDEBTEDNESS-1996	\$	99,777.54		
AMORTIZATION-BOND FEES & DISC	\$	4,060.44		
AMORTIZATION OF CERS BENEFIT	\$	10,308.48		
TOTAL INCOME CHARGES	\$	486,091.50	\$	487,681.00
NET INCOME	\$	133,949.44	\$	439,049.00

HWEA WATER FUND
 INCOME STATEMENT
 June 30, 2002

	YTD ACTUAL	YTD BUDGET
REVENUES		
SALES		
WATER RESIDENTIAL SALES	\$ 1,440,064.97	\$ 1,507,430.00
WATER COMMERCIAL SALES	\$ 708,198.57	\$ 711,750.00
WATER INDUSTRIAL SALES	\$ 453,932.73	\$ 502,070.00
WATER SALES TO GOVEN AGENCIES	\$ 839,951.64	\$ 820,600.00
WATER PENALTY	\$ 64,762.95	\$ 56,760.00
WATER SERVICE FEES	\$ 6,926.36	\$ 6,600.00
TOTAL	\$ 3,513,837.22	\$ 3,605,210.00
WATER ALLOWANCES	\$ 13,176.44	\$ 23,300.00
TOTAL	\$ 3,500,660.78	\$ 3,581,910.00
EXPENSES		
SOURCE OF SUPPLY		
LABOR-SOURCE OF SUPPLY	\$ 4,353.69	
SUPPLIES AND EXPENSES	\$ 2,595.35	
MAINT TO SOURCE OF SUPPLY LAKE	\$ -	
GROUNDS & MAINTENANCE	\$ 445.57	
TOTAL SOURCE OF SUPPLY	\$ 7,394.61	\$ 27,460.00
WATER TREATMENT PLANT		
SUPERVISION-WATER PLANT	\$ 43,012.60	
LABOR- WATER PLANT	\$ 246,217.49	
CHEMICALS	\$ 351,523.09	
MAINTENANCE TO STRUCTURES	\$ 298.63	
MAINTENANCE TO EQUIPMENT	\$ 17,846.26	
SUPPLIES AND EXPENSES	\$ 9,166.63	
MAINT TO RESERVOIRS & TANKS	\$ 4,355.27	
MISCELLANEOUS EXPENSES	\$ 103.06	
GROUNDS & MAINTENANCE	\$ 2,820.81	
LABORATORY WORK	\$ 48,533.82	
LAB SUPPLIES AND EXPENSES	\$ 13,605.25	
TRANSPORTATION EXPENSES	\$ 3,748.21	
UTILITIES	\$ 173,287.25	
TRAINING AND EDUCATION	\$ 4,297.66	
WATER TANK UTILITIES	\$ 52,123.10	
TOTAL WATER TREATMENT PLANT	\$ 970,939.13	\$ 927,400.00
WATER DISTRIBUTION		
SUPERVISION-WATER DISTRIBUTION	\$ 34,474.64	
LABOR-WATER DISTRIBUTION	\$ 163,827.58	
SUPPLIES AND EXPENSES	\$ 46,782.38	
SMALL TOOLS EXPENSE	\$ 2,011.63	
REPAIRS TO DISTRIBUTION MAINS	\$ 39,551.37	

REPAIRS TO SERVICES	\$	11,783.18		
REPAIRS TO METERS	\$	85.47		
REMOVING AND RESETTING METERS	\$	40,724.40		
TRANSPORTATION EXPENSES	\$	23,983.00		
GAS OIL TIRES-REP COMPR & TRAC	\$	19,790.67		
REPAIRS TO FIRE HYDRANTS	\$	6,826.81		
MISCELLANEOUS	\$	4.51		
GROUNDS & MAINTENANCE	\$	10,424.64		
TRAINING, EDUCATION & LICENSES	\$	2,592.79		
TOTAL WATER DISTRIBUTION	\$	402,863.07	\$	430,300.00
ADMINISTRATIVE AND GENERAL				
COMMISSIONERS SALARIES	\$	3,000.00		
OFFICE SALARIES-ADMINISTRATIVE	\$	248,101.14		
METER READING SALARIES	\$	41,366.28		
SUPPLIES AND EXPENSES	\$	22,839.42		
POSTAGE	\$	20,611.94		
TELEPHONE & 2-WAY RADIO EQUIP	\$	19,110.57		
INSURANCE PREMIUM	\$	68,148.84		
TRAINING AND LICENSES	\$	5,056.34		
PROFESSIONAL SERVICES	\$	29,296.88		
TRANSPORTATION EXPENSES	\$	7,190.72		
EMPLOYEE BENEFITS	\$	485,432.89		
SAFETY PROGRAM	\$	12,641.18		
BLDG MAINTENANCE & UTILITIES	\$	21,020.92		
MISCELLANEOUS EXPENSES	\$	16,968.01		
TOTAL ADMINISTRATIVE & GENERAL	\$	1,000,785.13	\$	911,600.00
TECHNICAL SERVICES				
LABOR-TECHNICAL SERVICES	\$	47,558.52		
SUPPLIES AND EXPENSES	\$	2,430.81		
TRAINING, EDUCATION & LICENSES	\$	822.79		
TRANSPORTATION EXPENSES	\$	3,711.02		
MISCELLANEOUS EXPENSES	\$	505.50		
TOTAL TECHNICAL SERVICES	\$	55,028.64	\$	70,980.00
TOTAL OPERATING EXPENSES	\$	2,437,010.58	\$	2,367,740.00
OPERATING INCOME BEFORE DEPR	\$	1,063,650.20	\$	1,214,170.00
WATER DEPRECIATION	\$	895,910.68	\$	900,000.00
NET OPERATING INCOME	\$	167,739.52	\$	314,170.00
OTHER CREDITS				
DISCOUNT ON PURCHASES-WATER	\$	32.61		
BAD ACCOUNTS RECOVERED-WATER	\$	10,668.98		
INT-BOND & INTEREST REDEM FUND	\$	112,171.88		
INT-DEPRECIATION INVESTMENTS	\$	99,259.52		
INT-CONSTRUCTION FUND	\$	1,633.15		
RETAIL SALES & USE TAX COMPENS	\$	842.36		
MISCELLANEOUS INCOME-WATER	\$	20,870.07		
INT-GENERAL REVENUE ACCOUNTS	\$	2,981.43		
WATER CONNECTION FEES	\$	72,100.00		

WATER SERVICE FEES	\$	41,954.64		
TOTAL OTHER CREDITS	\$	362,514.64	\$	448,300.00
INCOME CHARGES				
BAD ACCOUNTS CHARGED OFF-WATER	\$	25,588.83		
INT-BONDED INDEBTEDNESS-19	\$	104,750.94		
INT-BONDED INDEBTEDNESS-1993	\$	89,900.70		
INT ON KIA FUND B LOAN-WATER	\$	90,404.06		
AMORTIZATION-NATIONS BANK FEES	\$	1,158.12		
CASH SHORTAGE-WATER	\$	1,290.00		
INT-BONDED INDEBTEDNESS-1996	\$	95,942.52		
AMORTIZATION-BOND FEES & DISC	\$	4,060.44		
AMORTIZATION OF CERS BENEFIT	\$	10,308.48		
TOTAL INCOME CHARGES	\$	423,404.09	\$	459,100.00
NET INCOME	\$	106,850.07	\$	303,370.00

HWEA WATER FUND
 INCOME STATEMENT
 June 30, 2003

	YTD ACTUAL	YTD BUDGET
REVENUES		
SALES		
WATER RESIDENTIAL SALES	\$ 1,465,575.85	\$ 1,455,170.00
WATER COMMERCIAL SALES	\$ 748,959.11	\$ 729,680.00
WATER INDUSTRIAL SALES	\$ 449,956.10	\$ 473,550.00
WATER SALES TO GOVEN AGENCIES	\$ 963,660.02	\$ 817,720.00
WATER PENALTY	\$ 111,540.19	\$ 45,920.00
WATER SERVICE FEES	\$ 7,780.00	\$ 7,850.00
TOTAL	\$ 3,747,471.27	\$ 3,529,890.00
WATER ALLOWANCES	\$ 21,606.35	\$ 12,150.00
TOTAL	\$ 3,725,864.92	\$ 3,517,740.00
EXPENSES		
SOURCE OF SUPPLY		
LABOR-SOURCE OF SUPPLY	\$ 4,107.43	
SUPPLIES AND EXPENSES	\$ 646.34	
MAINT TO SOURCE OF SUPPLY LAKE	\$ -	
GROUNDS & MAINTENANCE	\$ 2,452.00	
TOTAL SOURCE OF SUPPLY	\$ 7,205.77	\$ 21,400.00
WATER TREATMENT PLANT		
SUPERVISION-WATER PLANT	\$ 45,025.09	
LABOR- WATER PLANT	\$ 226,034.24	
CHEMICALS	\$ 299,730.28	
MAINTENANCE TO STRUCTURES	\$ 154.66	
MAINTENANCE TO EQUIPMENT	\$ 25,125.73	
SUPPLIES AND EXPENSES	\$ 10,291.84	
MAINT TO RESERVOIRS & TANKS	\$ 6,453.44	
MISCELLANEOUS EXPENSES	\$ 786.27	
GROUNDS & MAINTENANCE	\$ 974.12	
LABORATORY WORK	\$ 53,988.61	
LAB SUPPLIES AND EXPENSES	\$ 18,495.88	
TRANSPORTATION EXPENSES	\$ 3,536.77	
UTILITIES	\$ 179,807.00	
TRAINING AND EDUCATION	\$ 3,006.34	
WATER TANK UTILITIES	\$ 70,277.17	
TOTAL WATER TREATMENT PLANT	\$ 943,687.44	\$ 1,012,020.00
WATER DISTRIBUTION		
SUPERVISION-WATER DISTRIBUTION	\$ 39,502.14	
LABOR-WATER DISTRIBUTION	\$ 153,098.85	
SUPPLIES AND EXPENSES	\$ 41,481.10	
SMALL TOOLS EXPENSE	\$ 758.01	
REPAIRS TO DISTRIBUTION MAINS	\$ 55,266.57	

REPAIRS TO SERVICES	\$	14,698.22		
REPAIRS TO METERS	\$	52.72		
REMOVING AND RESETTING METERS	\$	43,183.56		
TRANSPORTATION EXPENSES	\$	20,713.65		
GAS OIL TIRES-REP COMPR & TRAC	\$	19,276.34		
REPAIRS TO FIRE HYDRANTS	\$	1,500.14		
GROUNDS & MAINTENANCE	\$	11,477.91		
TRAINING, EDUCATION & LICENSES	\$	5,518.56		
TOTAL WATER DISTRIBUTION	\$	406,527.77	\$	433,800.00

ADMINISTRATIVE AND GENERAL

COMMISSIONERS SALARIES	\$	3,180.00		
OFFICE SALARIES-ADMINISTRATIVE	\$	266,576.66		
METER READING SALARIES	\$	38,318.01		
SUPPLIES AND EXPENSES	\$	27,896.01		
POSTAGE	\$	20,709.95		
TELEPHONE & 2-WAY RADIO EQUIP	\$	20,293.24		
INSURANCE PREMIUM	\$	86,523.01		
TRAINING AND LICENSES	\$	4,016.21		
PROFESSIONAL SERVICES	\$	35,741.79		
TRANSPORTATION EXPENSES	\$	9,039.72		
EMPLOYEE BENEFITS	\$	463,430.47		
SAFETY PROGRAM	\$	27,648.93		
BLDG MAINTENANCE & UTILITIES	\$	26,806.02		
MISCELLANEOUS EXPENSES	\$	26,174.04		
TOTAL ADMINISTRATIVE & GENERAL	\$	1,056,354.06	\$	977,410.00

TECHNICAL SERVICES

LABOR-TECHNICAL SERVICES	\$	68,278.58		
SUPPLIES AND EXPENSES	\$	1,910.26		
TRAINING, EDUCATION & LICENSES	\$	1,503.80		
TRANSPORTATION EXPENSES	\$	3,026.30		
MISCELLANEOUS EXPENSES	\$	418.07		
TOTAL TECHNICAL SERVICES	\$	75,137.01	\$	70,980.00

TOTAL OPERATING EXPENSES	\$	2,488,912.05	\$	2,515,610.00
OPERATING INCOME BEFORE DEPR	\$	1,236,952.87	\$	1,002,130.00
WATER DEPRECIATION	\$	923,044.52	\$	919,000.00
NET OPERATING INCOME	\$	313,908.35	\$	83,130.00

OTHER CREDITS

DISCOUNT ON PURCHASES-WATER	\$	209.21		
BAD ACCOUNTS RECOVERED-WATER	\$	10,136.79		
INT-BOND & INTEREST REDEM FUND	\$	38,722.69		
INT-DEPRECIATION INVESTMENTS	\$	70,854.06		
RETAIL SALES & USE TAX COMPENS	\$	869.01		
MISCELLANEOUS INCOME-WATER	\$	10,177.05		
INT-GENERAL REVENUE ACCOUNTS	\$	1,580.53		
WATER CONNECTION FEES	\$	76,350.00		
WATER SERVICE FEES	\$	43,000.00		
TOTAL OTHER CREDITS	\$	251,899.34	\$	267,670.00

INCOME CHARGES

BAD ACCOUNTS CHARGED OFF-WATER	\$	22,926.04		
INT-BONDED INDEBTEDNESS-1993	\$	77,802.12		
INT ON KIA FUND B LOAN-WATER	\$	87,500.13		
AMORTIZATION-NATIONS BANK FEES	\$	1,158.12		
CASH SHORTAGE-WATER	\$	1,500.00		
INT-BONDED INDEBTEDNESS-1996	\$	91,847.49		
AMORTIZATION-BOND FEES & DISC	\$	4,060.44		
AMORTIZATION OF CERS BENEFIT	\$	10,308.48		
TOTAL INCOME CHARGES	\$	297,102.82	\$	346,770.00
NET INCOME	\$	268,704.87	\$	4,030.00

HWEA WATER FUND
 INCOME STATEMENT
 June 30, 2004

	YTD ACTUAL	YTD BUDGET
REVENUES		
SALES		
WATER RESIDENTIAL SALES	\$ 1,444,532.10	\$ 1,502,320.00
WATER COMMERCIAL SALES	\$ 751,659.10	\$ 783,360.00
WATER INDUSTRIAL SALES	\$ 432,295.58	\$ 467,180.00
WATER SALES TO GOVEN AGENCIES	\$ 943,789.55	\$ 1,038,760.00
WATER PENALTY	\$ 89,287.49	\$ 160,520.00
WATER SERVICE FEES	\$ 8,089.11	\$ 7,760.00
TOTAL	\$ 3,669,652.93	\$ 3,959,900.00
WATER ALLOWANCES	\$ 17,063.51	\$ 31,940.00
TOTAL	\$ 3,652,589.42	\$ 3,927,960.00
EXPENSES		
SOURCE OF SUPPLY		
LABOR-SOURCE OF SUPPLY	\$ 4,856.61	
SUPPLIES AND EXPENSES	\$ 1,638.32	
MAINT TO SOURCE OF SUPPLY LAKE	\$ -	
GROUNDS & MAINTENANCE	\$ 1,822.98	
TOTAL SOURCE OF SUPPLY	\$ 8,317.91	\$ 15,000.00
WATER TREATMENT PLANT		
SUPERVISION-WATER PLANT	\$ 46,306.26	
LABOR- WATER PLANT	\$ 227,650.58	
CHEMICALS	\$ 378,484.29	
MAINTENANCE TO STRUCTURES	\$ 1,065.56	
MAINTENANCE TO EQUIPMENT	\$ 16,969.07	
SUPPLIES AND EXPENSES	\$ 7,620.82	
MAINT TO RESERVOIRS & TANKS	\$ 4,619.61	
MISCELLANEOUS EXPENSES	\$ 385.94	
GROUNDS & MAINTENANCE	\$ 2,124.66	
LABORATORY WORK	\$ 55,182.20	
LAB SUPPLIES AND EXPENSES	\$ 16,926.68	
TRANSPORTATION EXPENSES	\$ 3,058.27	
UTILITIES	\$ 204,286.61	
TRAINING AND EDUCATION	\$ 1,164.38	
WATER TANK UTILITIES	\$ 49,985.88	
TOTAL WATER TREATMENT PLANT	\$ 1,015,830.81	\$ 1,012,000.00
WATER DISTRIBUTION		
SUPERVISION-WATER DISTRIBUTION	\$ 61,773.39	
LABOR-WATER DISTRIBUTION	\$ 180,649.23	
SUPPLIES AND EXPENSES	\$ 30,777.45	
SMALL TOOLS EXPENSE	\$ 677.66	
REPAIRS TO DISTRIBUTION MAINS	\$ 60,544.09	

REPAIRS TO SERVICES	\$	13,030.59	
REPAIRS TO METERS	\$	478.63	
REMOVING AND RESETTING METERS	\$	43,836.66	
TRANSPORTATION EXPENSES	\$	19,158.37	
GAS OIL TIRES-REP COMPR & TRAC	\$	22,296.98	
REPAIRS TO FIRE HYDRANTS	\$	2,104.43	
GROUNDS & MAINTENANCE	\$	12,257.13	
TRAINING, EDUCATION & LICENSES	\$	4,126.55	
TOTAL WATER DISTRIBUTION	\$	451,711.16	\$ 430,000.00

ADMINISTRATIVE AND GENERAL

COMMISSIONERS SALARIES	\$	3,000.00	
OFFICE SALARIES-ADMINISTRATIVE	\$	264,945.73	
METER READING SALARIES	\$	41,125.96	
SUPPLIES AND EXPENSES	\$	36,049.84	
POSTAGE	\$	27,907.60	
TELEPHONE & 2-WAY RADIO EQUIP	\$	17,289.23	
INSURANCE PREMIUM	\$	107,950.08	
TRAINING AND LICENSES	\$	8,311.57	
PROFESSIONAL SERVICES	\$	26,271.75	
TRANSPORTATION EXPENSES	\$	8,119.41	
EMPLOYEE BENEFITS	\$	368,136.54	
SAFETY PROGRAM	\$	29,139.91	
BLDG MAINTENANCE & UTILITIES	\$	27,644.77	
MISCELLANEOUS EXPENSES	\$	22,680.97	
TOTAL ADMINISTRATIVE & GENERAL	\$	988,573.36	\$ 1,168,880.00

TECHNICAL SERVICES

LABOR-TECHNICAL SERVICES	\$	72,781.14	
SUPPLIES AND EXPENSES	\$	1,639.21	
TRAINING, EDUCATION & LICENSES	\$	575.31	
TRANSPORTATION EXPENSES	\$	4,050.21	
MISCELLANEOUS EXPENSES	\$	424.87	
TOTAL TECHNICAL SERVICES	\$	79,470.74	\$ 79,900.00

TOTAL OPERATING EXPENSES	\$	2,543,903.98	\$ 2,705,780.00
OPERATING INCOME BEFORE DEPR	\$	1,108,685.44	\$ 1,222,180.00
WATER DEPRECIATION	\$	944,629.24	\$ 931,380.00
NET OPERATING INCOME	\$	164,056.20	\$ 290,800.00

OTHER CREDITS

DISCOUNT ON PURCHASES-WATER	\$	-	
BAD ACCOUNTS RECOVERED-WATER	\$	8,237.28	
INT-BOND & INTEREST REDEM FUND	\$	32,434.62	
INT-DEPRECIATION INVESTMENTS	\$	54,837.71	
RETAIL SALES & USE TAX COMPENS	\$	898.97	
MISCELLANEOUS INCOME-WATER	\$	9,279.56	
INT-GENERAL REVENUE ACCOUNTS	\$	1,628.33	
WATER CONNECTION FEES	\$	72,060.79	
WATER SERVICE FEES	\$	49,251.65	
TOTAL OTHER CREDITS	\$	228,628.91	\$ 251,970.00

INCOME CHARGES

BAD ACCOUNTS CHARGED OFF-WATER	\$	17,338.08		
INT-BONDED INDEBTEDNESS-1993	\$	66,102.06		
INT ON KIA FUND B LOAN-WATER	\$	84,540.70		
AMORTIZATION-NATIONS BANK FEES	\$	1,158.12		
CASH SHORTAGE-WATER	\$	1,500.00		
INT-BONDED INDEBTEDNESS-1996	\$	87,492.51		
AMORTIZATION-BOND FEES & DISC	\$	4,060.44		
AMORTIZATION OF CERS BENEFIT	\$	2,577.12		
TOTAL INCOME CHARGES	\$	264,769.03	\$	319,830.00
NET INCOME	\$	127,916.08	\$	222,940.00

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
FIVE YEAR FACILITIES IMPROVEMENT PLAN**

FEBRUARY 2005

**EXISTING FY 2004-2005
ITEMS LEFT TO BE COMPLETED**

1.	Water Main Replacement Program (9th & Clay, Jessie, S. Walnut, Hope, Gray & Cave Streets)	\$90,000
2.	Meter Replacement Program	

PROPOSED FY 2005-2006

	1. Misc. Sewer Rehabilitation	\$45,000
	2. Water Main Replacement Program (E. 1st Street)	\$70,000
	3. Pump Station Replacement Program (Hermitage Hills and Givens Addition)	\$120,000
	4. Install Water Main Ext. Program (US 68 to KY 272, Phase 2)	\$90,000
*	5. North Fork Interceptor Planning (clay Street to NW By Pass)	\$35,000
	6. Annual Meter Replacement Program	\$15,000
	7. Annual Computer Upgrades	\$15,000
**	8. Repaint & Repair Sanderson Drive and Industrial Park Elevated Storage Tanks	\$245,000
TOTAL		\$445,000

PROPOSED FY 2006-2007

	1. Misc. Sewer Rehabilitation	\$45,000
	2. Water Main Replacement Program (Greenville Road Grimes, Wood and Blane Drives)	\$81,000
	3. Pump Station Replacement Program (Stone Valley)	\$90,000
	4. Install Water Main Ext. (KY 272 to Cox Mill Rd.) Phase 1	\$170,000
	5. Annual Meter Replacement Program	\$20,000
	6. Annual Computer Upgrades	\$20,000
*	7. Planning for Northside WWTP Conversion	\$45,000
**	8. Install Water Treatment Plant Generator	\$300,000
***	9. Larger Force Main from Commerce Park (year two)	\$70,000
TOTAL		\$426,000

- * SRF Phase 6
- ** 2005 Water Bond
- *** KY TC Relocation Program

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
FIVE YEAR FACILITIES IMPROVEMENT PLAN**

PROPOSED FY 2007-2008

1. Misc. Sewer Rehabilitation	\$45,000
2. Water Main Replacement Program (Replace Bourbon Fire Hydrants and water mains on Briarwood, Deepwood, Eleanor and Moelight Drives)	\$95,000
3. Pump Station Replacement Program (Cardinal Drive & Faultless Road)	\$90,000
4. Install Water Main Ext. (KY 272 to Cox Mill Road, Phase 2)	\$150,000
5. Annual Meter Replacement Program	\$20,000
6. Annual Computer Upgrades	\$15,000
7. Repaint Gainsville Hill Tank	\$105,000
8. Planning & Design for Southside Tank	\$60,000
* 9. Design for North Fork Interceptor & Northside Conversion	\$480,000
TOTAL	\$580,000

PROPOSED FY 2008-2009

1. Misc. Sewer Rehabilitation	\$35,000
2. Water Main Replacement Program	\$70,000
3. Pump Station Replacement Program (Cherokee Trace & Greenville Road)	\$110,000
4. Install Water Main Extension - By Pass (KY 272 to Cox Mill - Phase 3)	\$110,000
5. Annual Meter Replacement Program	\$22,000
6. Annual Computer Upgrades	\$17,000
* 7. SRF Phase 6 (NSWWTP Decommissioning and North Fork Interceptor) 3 Yr. Program	\$8,000,000
8. Construct Southside Elevated Storage Tank (Year One)	\$300,000
TOTAL	\$664,000

PROPOSED FY 2009-2010

1. Misc. Sewer Rehabilitation	\$40,000
2. Water Main Replacement Program	\$75,000
3. Pump Station Replacement Program (Quarry Pump Station)	\$95,000
4. Install Water Main Extension - By Pass (Cox Mill Road to LaFayette Road - Phase 1)	\$115,000
5. Annual Meter Replacement Program	\$22,000
6. Annual Computer Upgrades	\$28,000
7. Construct Southside Elevated Storage Tank (Year Two)	\$300,000
TOTAL	\$675,000

* SRF Phase 6

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY**PEMBROKE DIVISION 2004-2005**

1. Replace KY 115 Water Main to Pembroke School	\$50,000
2. Loop Magnolia Street Main	\$15,000
3. Install 2 Flush Hydrants	\$8,000
TOTAL	\$73,000

CROFTON DIVISION 2004-2005

1. Rehabilitate Dripping Springs Pump Station	\$65,000
2. Replace Water Mins from Water Treatment Plant to Tank	\$60,000
TOTAL	\$125,000

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY

LONG RANGE IMPROVEMENT PLAN

5-10 YEARS

FEBRUARY 2005

WATER	EST. COST
Westside Elevated Storage Tank	\$1,200,000
Water Main Ext. By-Pass Dawson Springs - US 41A North	\$293,500
Water Main Ext. By-Pass US41 North to Greenville Road	\$418,000
Water Main Ext. By-Pass Russellville Road to Butler Road	\$390,000
Water Main Ext. By-Pass Butier Road to Greenville Road	\$245,000
Water Main Extension	
Pembroke Road to Russellville Road	\$295,000
US 68 Princeton Road to Dawson Springs Road.	\$106,000
Water Main and Valve Replacement Program (yearly)	\$100,000
North Quarry Intake Extension	\$100,000
Westside Rechlorination Stations	\$230,000

WASTEWATER	EST. COST
Pump Station Rehabilitation Program (Yearly)	\$90,000
Sewer Extensions: US41A Eastside	\$1,800,000
By-Pass: Eagle Way	\$4,122,600
Martin Luther King, Jr. Way	\$2,336,200
Eagle Way North West	\$2,674,100
Pump Station Scrubbers (Stone Valley and Millbrooke Drive)	\$90,000
Hammond Wood Scrubber	\$135,000
Upgrade and Enlarge Eastern Interceptor	\$1,700,000
KY 1613 Sewer Extension	\$3,800,000
Southeast Interceptor	\$3,200,000
Upgrade Hammond-Wood WWTP	\$6,000,000
Means Avenue Siphon Rehabilitation	\$500,000